

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF JOHNSON)	CASE NO. 10415-B
COUNTY GAS COMPANY, INC.)	

INTERIM ORDER

On February 8, 1991, Johnson County Gas Company, Inc. ("Johnson County") filed an application pursuant to its purchased gas adjustment clause to pass through to its customers a surcharge from its supplier, Kentucky West Virginia Gas Company ("Kentucky West"). The surcharge was approved by the Federal Energy Regulatory Commission ("FERC") as part of a settlement in Docket Nos. TQ89-1-46-000, et. al. between Kentucky West and this Commission. Johnson County received notice on January 14, 1991 that the surcharge in the amount of 61.4 cents per Dth was approved to be effective January 1, 1991. Johnson County also filed to pass through a wholesale decrease in gas cost from its suppliers.

After reviewing the record and all information pertaining to this case, the Commission finds that:

1. Johnson County's notice of February 8, 1991 proposed to implement a surcharge in the amount of 41.55 cents per Mcf to pass along to its customers the billings from Kentucky West for 1991. The surcharge in this amount would remain in effect until recalculated by Kentucky West, with billings from Kentucky West

pursuant to the settlement to be received and paid by Johnson County for a period of no less than 10 years.

2. Johnson County requested an effective date of January 1, 1991 to implement its surcharge. KRS 278.180 provides that a utility must give 30 days notice to the Commission prior to the effective date of any increase in rates. Inasmuch as the September 12, 1990 settlement was negotiated by the Commission in the interest of the Kentucky utilities served by Kentucky West, the Commission had actual notice of the terms and conditions contained in the agreement on September 12, 1990. The effective date of Johnson County's surcharge should, therefore, be the effective date from Kentucky West, January 1, 1991.

3. Johnson County proposed to include the surcharge from Kentucky West as a part of its regular tariffed rates. However, the Commission prefers that the surcharge be set out separately in its tariffs, apart from its other approved rates.

4. Johnson County's filing contained insufficient detail to support its proposed wholesale decrease. It did not provide tariff sheets as required by its clause as proof of the amount and effective date of rates, and it reported a new supplier, Centran, with no backup for how the 12 months of purchases attributed to Centran was calculated. The wholesale decrease proposed by Johnson County in the amount of .77 cents per Mcf should be approved effective January 1, 1991 on an interim basis pending Johnson County's filing of supplementary information. Specifically, Johnson County should file: tariff sheets, copies of bills, or some other notification from each supplier showing the

rate for which Johnson County has filed, along with the effective date; actual purchase volumes, broken down by supplier, for the 12-month period used in the instant filing; a statement as to what 12-month period was used to supply purchase data for the instant filing; support for allocation of volumes to the new supplier, Centran; the date service from Centran began; and the contract under which Johnson County is served by Centran.

5. Johnson County's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 10415 dated October 30, 1990 is fair, just, and reasonable, in the public interest, and should be effective with bills rendered on and after January 1, 1991 pending the filing of adequate support for such adjustment by Johnson County.

IT IS HEREBY ORDERED that:

1. Johnson County's proposed surcharge is fair, just, and reasonable, and is approved effective with bills rendered on and after January 1, 1991.

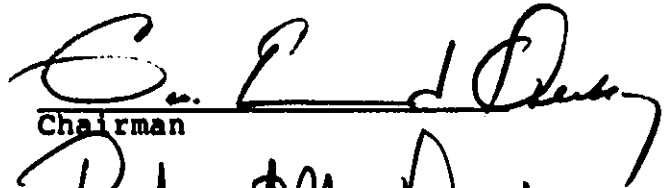
2. The rates in the Appendix, attached hereto and incorporated herein, are hereby authorized on an interim basis effective with gas supplied on and after January 1, 1991.

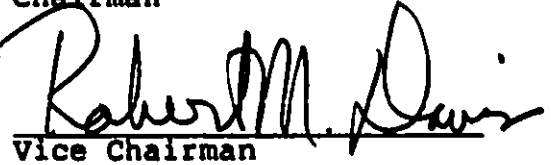
3. Within 20 days of the date of this Order, Johnson County shall file the supporting information as set forth herein.

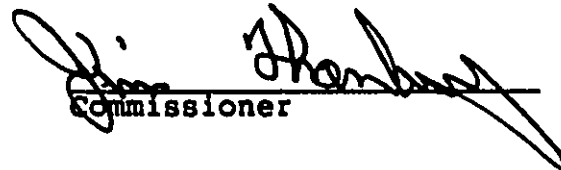
4. Within 30 days of the date of this Order, Johnson County shall file with this Commission its revised tariffs setting out the rates authorized herein, including the surcharge, which shall be separate and apart from its other rates.

Done at Frankfort, Kentucky, this 1st day of March, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 10415-B DATED 3/01/91

The following rates and charges are prescribed for the customers served by Johnson County Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

Customer Charge	\$ 3.00
All Mcf	
Base Rate	\$ 6.6397
Surcharge	<u>2.5159</u>
Total Rate per Mcf	\$ 9.1556

A surcharge of \$.4155 will be added to the above rates until the obligation owed to Kentucky West Virginia Gas Company has been discharged, or is recalculated.